



Creating a More Integrated Impact Investment Community in NJ

Background

Beginning in 2013, the NJ Office of Faith-Based Initiatives has funded an innovative program for nonprofit social entrepreneurs supporting groups to develop new business models and new ways of tackling social problems. In 2014, the Support Center and Rutgers Business School joined with this office to provide training and coaching and to explore a more integrated impact investment system of support for social entrepreneurs.

The Challenge

Over the last ten years, an incredible spectrum of models and mechanisms has emerged for tackling social problems. Today, we can look at models spanning from nonprofits operating earned income ventures to for profits adhering to a triple bottom line. An expanding universe of funding tools is arising such as social impact bonds, crowd funding and impact investment portfolios with the opportunity to deploy additional capital to further social goals. However, this expanded array of financial products, funding streams, corporate structures and approaches is not without its cost. We believe the fragmentation has prevented a unified NJ social enterprise community from forming along with unnecessary time navigating the available resources and redundant or underutilized resources.

The Opportunity

We believe there is an opportunity to create a more unified impact investment “system” in NJ that could: a) highlight innovative approaches being taken by social entrepreneurs in the state to solve social problems; b) streamline access to the range of grants, loans and investments available to social entrepreneurs and criteria for eligibility; c) make it easier for impact “investors”—whether or not they are seeking a financial—to identify and invest in social ventures; d) communicate developments in the social enterprise sector in NJ; and e) build a more interconnected community of social enterprises and impact investors collectively committed to a stronger, healthier New Jersey.

Other partners include:

Algorithm
Center for Non-Profits
Community Foundation of NJ
MelArbit Partners
Pascale Sykes Foundation
Princeton Area Foundation
Prudential Foundation
PSEG Foundation
SeaChange Capital Partners
UBS
U.S. Trust



Building a Pipeline of NJ Social Entrepreneurs

We believe that through the following strategies, we can create the conditions for success necessary for organizations to become investment ready, and to find the capital they need.

2016 NJ Social Entrepreneurship Kick Off

On February 26, 2016 over sixty social entrepreneurs gathered for an all-day kickoff event of the 2016 program. Common points of discussion were:

- The tension between an existing organization and a new venture and the allocation of resources;
- The need for marketing;
- The role of the board in understanding and supporting a venture and mission alignment;
- The (in)ability of nonprofits to invest sweat equity into a social venture and the key role of volunteers to subsidize operations; and
- When to make the hard choices about keeping a social venture up and running vs. discontinuing the effort.

Workshops

The Support Center is offering a training series specifically geared towards social ventures. The training series was designed based on interviews with social entrepreneurs and feedback from the 2016 Kick Off Event. Workshop topics include:

- Introduction to Earned Income Ventures
- How Do I Market My Social Venture?
- Financial Assessment for Social Ventures
- Capital Raising for Social Entrepreneurs
- Measuring Outcomes and Impact

One on One Consulting

Grantees of the OFBI SE2D program receive one on one consulting as part of their grant. SE2D II groups that are new to the social venture space receive general coaching from experienced consultants who are familiar with the social venture space. Coaching helps executive directors navigate the challenges of running a nonprofit and a social venture, and helps them to take advantage of the resources available to them.

SE2D I groups who are looking to expand their already-running social ventures receive specialized consulting in the area choose (marketing, outcomes, capital, etc.)

Current Pipeline

Jewish Family Services of Southern NJ
 Queens Community Renewal
 Paterson Habitat for Humanity
 Jewish Vocational Services
 United Youth of NJ
 Center for Environmental Transformation
 A Future with Hope
 RISE | A Community Service Partnership
 Shiloh Community Development Corporation
 North Ark CDC
 Community Planning & Advocacy Council
 DAWN Center for Independent Living
 Koinonia Family Life, Inc.
 The Puerto Rican Association for Human Development, Inc.
 National Junior Tennis & Learning of Trenton
 MTI Integrated Business Development, Inc.
 Jewish Renaissance Foundation
 Servicios Latinos de Burlington County
 St. Paul's Community Development Corp.
 Food Bank of South Jersey
 Chosen Generation
 Community Affairs and Resource Center
 Upper Rung Center
 The Loving Care Homes
 GlassRoots
 Youth Empowerment Services
 Impact Paterson
 Grace Initiatives
 Interfaith Neighbors

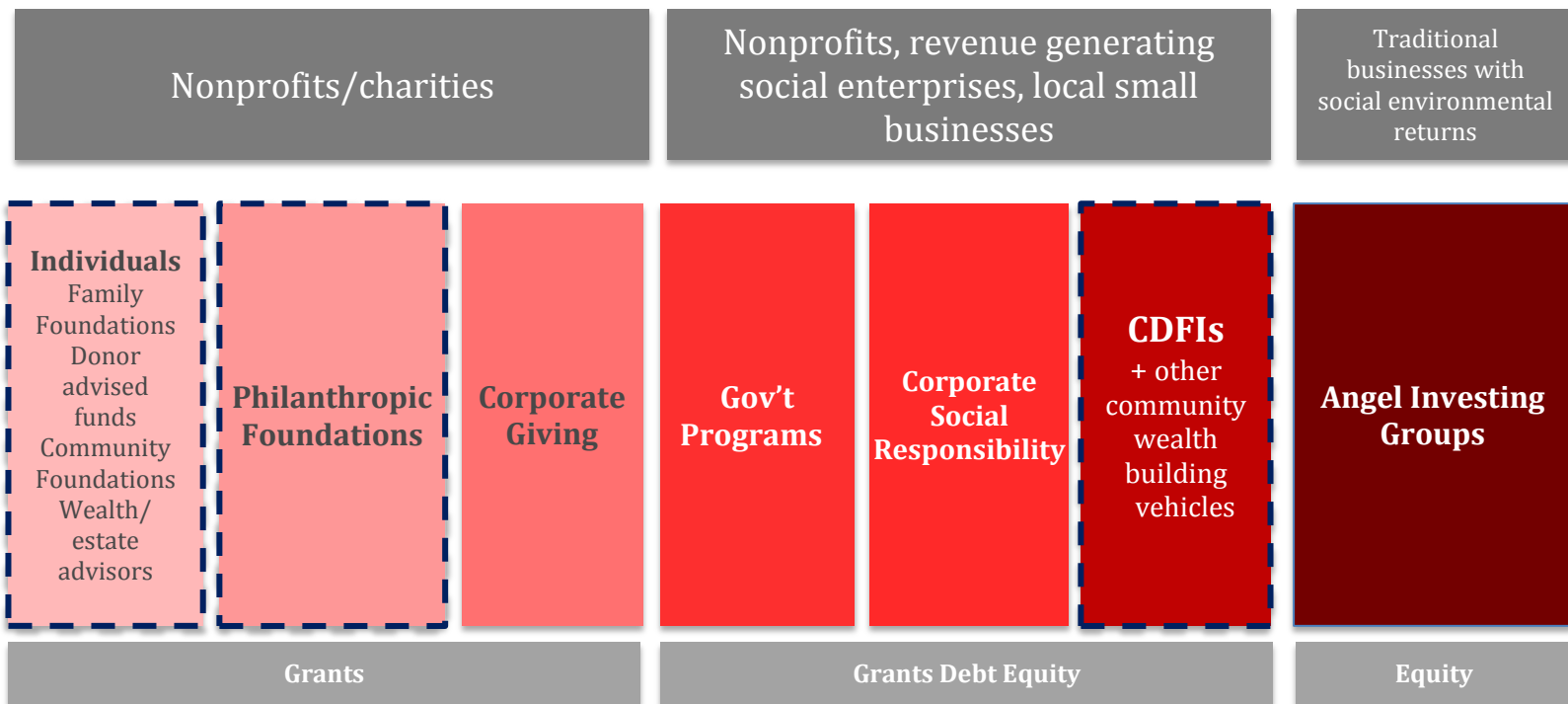
Building a Pipeline of Capital to NJ Social Entrepreneurs

The fragmentation of the New Jersey funding landscape for social entrepreneurs has led to an inefficient system of support within the state. The figure below demonstrates the marketplace as it is today, with seven major buckets of funding/investing resources listed. The four buckets which are relevant to social enterprises include government programs, corporate social responsibility programs, CDFI's, and angel investing groups.

The New Jersey Impact Investment forum seeks to create one "marketplace" through which social enterprises will have streamlined access to a range of grants, loans, and investments, as well as the different criteria for eligibility.

SOCIAL/IMPACT INVESTING "MARKETPLACE"

developed by melarbit partners



Building a Bridge Between Supply and Demand

The NJ Impact Investment Forum's inaugural gathering is scheduled for May 4, 2016. The purpose of the gathering is to build a stronger ecosystem of donors, investors, and social entrepreneurs focused on making a difference in their communities. We envision a biannual gathering where institutions and individuals with a focus on impact can hear directly from social entrepreneurs about the social problems they are seeing, their new strategies for meeting those needs, and their case for support. As an ongoing effort, we envision a pipeline of organizations and social ventures working their way towards "investment ready" at which point they would present to the NJ Impact Investment Forum. We envision the following results from these gatherings:

- Development of an ongoing forum and directory as a "place" to anchor this community and foster additional investment and promote the success of promising approaches to solving social problems.
- Education of the donor and impact investment community of promising approaches currently underway in the state of NJ
- Creation of a pipeline of social enterprises that are continually moving towards being "investment ready"
- Forum to articulate any additional needs that social entrepreneurs have identified

Inaugural NJ Impact Investment Forum

Wednesday, May 4, 2016

12pm – 4pm

**Rutgers Business School
1 Washington Park
Newark, NJ**

Hosted by:

